3 Dividend Aristocrats That Have Beaten the Market This Year

Description

There seems to be a misconception that dividend stocks need to be slower movers than the broader market. This is especially true when growth investors talk about why they hold little to no dividend companies in their portfolio. However, some dividend companies provide outstanding returns. In fact, some dividend companies listed on the **TSX** have beaten the broader market by a wide margin. In this article, I will discuss three Dividend Aristocrats that have beaten the market this year.

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The financial sector is loaded with winners

So far, it seems like financial companies are having a year to remember. For example, **goeasy** (TSX:GSY), a popular alternative financial company, has seen its value skyrocket since the start of the year. goeasy provides high-interest loans to subprime borrowers and sells furniture and other home goods on a rent-to-own basis. Over the past two years, this company has seen its business thrive as a result of the pandemic. A quick glance at goeasy's recent earnings reports will tell you that revenue has continued to flow strongly.

As mentioned earlier, goeasy is having quite a year. Its stock is up 54.5%, dividends excluded. If this performance keeps up, that puts the company on pace to gain more than 120% this year. A true Dividend Aristocrat, goeasy has managed to increase its distributions in each of the past seven years. Over that period, goeasy's dividend has increased 776%! What's even more impressive is the company has managed to do this while maintaining a 13.87% payout ratio. This indicates that goeasy could continue increasing its dividend for years to come.

The Canadian banks have been doing well

The Big Five Canadian banks are a solid investment for any portfolio. That group of companies holds such a firm lead in their industry that investors don't really need to worry about them being surpassed by competitors. Of that group, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) stands out as a top choice. What's most appealing about this company is its positioning within the Pacific Alliance region. This is an area that economists are projecting will grow at a much faster rate than the G7 in the coming years.

Since the start of the year, Bank of Nova Scotia stock has gained about 19.9%, dividends excluded. When dividends are factored in, this performance rises to nearly 23%. That's almost 10% greater than the performance of the broader market this year. Bank of Nova Scotia has successfully raised its dividend for the past 10 years, securing its place among the Canadian Dividend Aristocrats. Like goeasy, this company has a reasonable dividend-payout ratio of 58.06%, suggesting flexibility in the coming years.

Unexpected performance from an industry leader

Although **Canadian Tire** (TSX:CTC.A) is a name that all Canadians should know, it isn't really a stock that gets talked about much. A company that needs no introduction, Canadian Tire is a one-stop shop for all things outdoor. Whether it's for sport, relaxation, automotive, or so much more, there's a fairly good chance they've got what you're looking for. As we enter the summer months, watch for Canadian Tire's revenue to spike.

This year, the stock has gained about 21.7%, dividends excluded. When dividends are factored in, this performance rises to over 24%, putting the stock on pace for about a 57% gain for the year. Like Bank of Nova Scotia, Canadian Tire has managed to increase its dividend in each of the past 10 years. The company has done so while maintaining a very attractive dividend-payout ratio of 30.58%.

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TICKERS GLOBAL

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
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